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REPORT ON A PROPERTY OF

SOLOMONS PILLARS MINES LIMITED

WALTERS AND LEDUC TOWNSHIP

ONTARIO

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HUGH H. SUTHERLAND

25th September, 1968.

B.A.Sc., P.Eng., M.E.


SUMMARY

Solomons Pillars Mines Limited have acquired a 10 claim group located in Walters and Leduc townships, in the Beardmore Nipigon gold area. The property comprises a rectangular 10 claim contiguous group $1\frac{1}{4}$ miles north of Highway 11, the N.O.N.G. gasline, Hydro and Railroad lines, 30 miles west of the town of Beardmore. Access is by bush road to the property from the highway. The terrain is flat lying, with a medium bush and ample water from several lakes. The camp is well known for gold producers such as McLeod Cockshutt and Leitch Gold, and reasonably good values of gold have been found. Economic grade values have been located over a strike length of over 1850 feet, and a shaft has been sunk to 300 feet with underground workings. The gold mineralization is in quartz veins in free form and associated with pyrite, pyrrhotite and arsenopyrite, probably related to an iron formation crossing the property. Other iron bands cross the claims and have similar appearance but have not yet been assayed for gold values. Chalcopyrite is also present. It is felt that sufficient information is present that justifies hopes of a small gold producer, and greater tonnages may be present. To this end an extensive exploration programme is justified and recommended.

Work is to comprise detail geological mapping, geophysical and geochemical checking, and two phases of diamond drilling of 5,000 and 7,500 feet each.

Total cost of the above estimated to be approximately \$60,000.00.





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REPORT ON A PROPERTY OF

SOLOMONS PILLARS MINES LIMITED

WALTERS AND LEDUC TOWNSHIP

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INTRODUCTION

The following report is prepared at the request of the company directors, on the company's property in Walters and Leduc township, Ontario, with respect to future potential and exploration planning, as well as a brief summary of history and geology. The property was examined in person by the writer several times during the summer and fall of 1966.

PROPERTY

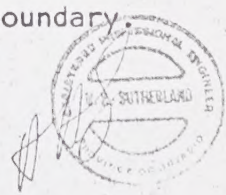
The property comprises of 10 contiguous unpatented claims located in Walters and Leduc township, Ontario, and is identified by the following numbers: T.B. 109239 to 109244, 109245 to 47, 119896, and covers approximately 400 acres.

LOCATION AND ACCESS

The property is located astride the boundary between Walters and Leduc townships, 1½ miles north of the south boundary.

Access is by means of a bush road north from highway 11 between Beardmore and Jellico to a beaver dam on the south boundary.

Cont. . . .



Location and Access cont:

A bulldozer road connects from here to the shaft on the claim 109240. The bush road strikes north from the highway, 2 miles west of the village of Jellico.

Ample water is present on the claims and plentiful timber comprising Spruce, Pine, Cedar, Birch, Poplar, and Slash is present.

Power, telephone and labour are easily available from local sources.

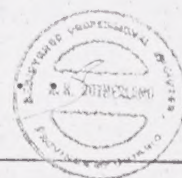
TOPOGRAPHY

The terrain is flat lying with maximum relief of 25 feet. Outcrop comprises about 10% with swamps and lake areas plentiful. The bush is not thick and easily traversed.

GENERAL GEOLOGY

The predominate rock type is a silty quartzite generally dark grey in colour and very finely grained, in other areas, light pink to light grey and some shaley sections. Conformable with this quartzite is a banded iron formation reported to be ninety feet wide as indicated by a dip needle survey and according to assay reports about 33% iron. These rocks have undergone low grade metamorphism, however no metamorphic minerals were noted. Quartz stringers occur sporadically but where measured in the quartzite they strike predominately at 75 degrees (along the bedding) and at 165 degrees (transverse to the bedding). In the iron formation however, the quartz stringers strike obliquely at about 30 - 40 degrees. These sediments have been highly folded, the general attitude is 75 degrees dipping near vertical.

Cont. .



General geology cont:

As reported in a preliminary Geological Map # P.241, District of Thunder Bay, Ontario Department of Mines 1964, a synclinal fold axis occurs south of Oxaline Lake near the railroad and near highway 11. The westerly extension appears to be faulted southwards, by a northeasterly trending fault. There appear to be three major fault trends in this area.

STRUCTURAL GEOLOGY

Regional:

A synclinal axis is reported to occur near highway 11, south of the claims. According to Ontario Department of Mines' Map # 45A Sturgeon River Gold Area 1936, the attitudes are generally E-W and dip from 65 degrees northerly to 72 degrees southerly.

The major compressional forces have therefore been N-S. This is confirmed by the fault pattern. There is one set of E-W faults as well as two sets of shear type faults trending northeasterly and northwesterly. A pattern that appears on the aerial photographs is another set of northeasterly trending faults ~~across~~ which may be of the en echelon type.

Local:

A shear zone varying in width up to thirty feet seems to follow the southern side of the iron formation, however, on the opening up of a number of trenches, it was discovered that the shear or off shoots of this shear penetrate well into the iron formation. The general attitude of the rocks of this area is very constant at about N.75 degrees E. and seldom dipping



Cont.

Local cont:

more than 10 degrees from the vertical. The iron formation is conformable to the quartzite. The shear zone appears to be along the bedding of the quartzite with an attitude of N.75 degrees E. and dipping nearly vertical. In some sections of the shear zone curved fractures exist that are convex northward.

A complex movement near the fault seems to exist. There are a few drag folds, but not many. Those in the shear are of the S type, which indicates the south side of the shear moved eastwards whereas the north side moved westwards. In a shear that cut into the iron formation another Z type drag fold exists which indicates the direct opposite movements north of the main shear. In other areas north of the shear some striations on the bedding planes were vertically dipping indicating that there was no oblique movement along the bedding planes during folding.

The sediments of this area all appear to be of the Timiskaming type. The iron formation is both underlain and overlain by silty quartzite. The gold values all appear with the sulphide deposits that concentrated in the shear zones and appear of the hydrothermal type. The main sulphides are arsenopyrite and pyrite.

ECONOMIC GEOLOGY

The Thunder Bay - Beardmore area is the fourth in Ontario in the production of gold. This district includes the area of interest to this report. Within a belt of lavas and sediments extending from Lake Nipigon eastward for about 60 miles, eleven mines were opened in the 1934 - '39 period.

Cont. . . .

Economic geology cont:

These are Bankfield Consolidated, Hard Rock, Jellico, Leitch, Little Long Lac, MacLeod-Cockshutt, Magnet Consolidated, Northern Empire, Sand River, Sturgeon River and Tombill.

This group of mines exhibits a rather wide variety of types. In some of them, such as Leitch, Snad River, and Sturgeon River, the ore bodies are simple quartz veins, usually less than 4 feet wide, filling somewhat irregular fissures. The principal constituent of value is native gold; other minerals are scanty in amount. On the Little Long Lac property, arkose beds 1,500 to 2,000 feet thick are folded into an anticline, along the crest of which a number of shear zones strike east. Quartz injected into these has converted them into lodes that are uniform in width and continuous over remarkably long distances. The quartz carries a large amount of native gold and small amounts of arsenopyrite, pyrite, bournonite, stibnite and tetrahedrite.

At the MacLeod-Cockshutt mine, about 2 miles southeast of Little Long Lac, the earlier discoveries were in iron formation, parts of which were fractured and the fractures filled with quartz and auriferous pyrite. Mining operations have proved that beneath these is a mass of feldspar porphyry, the upper surface of which contains a deep westward plunging trough or roof pendant or greywacke. Both the sedimentary rocks, and to a less extent, the porphyry along the contact are replaced by coarse pyrite, arsenopyrite, and a little native gold. This ore has an average grade of about 0.15 ounce a ton.

Cont. . . .

HISTORICAL GEOLOGY

The property under inspection here is located between Leitch and MacLeod-Cockshutt.

As reported in the forty-sixth annual report of the Ontario Department of Mines, Volume XLVI, Part 1, 1937, the work on claims in Leduc-Walters townships was started in 1936. In May a 3 compartment, 18 by 8 foot, vertical shaft was sunk about 50 feet south of the vein. The vein consists of Quartz and Calcite gangue in banded iron formation, striking about N. 70 degrees E. and dipping slightly to the north. Before sinking, the vein was explored on surface for a length of 154 feet and is reported to average 0.34 ounces, over an average width of 7 feet. The shaft was sunk 300 feet, with levels at 150 and 275 feet.

The work - total programme instituted by the original company, Oremond Gold Mines, comprised stripping, sampling, diamond drilling, shaft sinking and underground work.

The underground development is as follows:

Shaft sinking	-	300'
2 levels	-	150' and 275'
150' level	-	Drifting - 1241'
		x cut 588'
300' level	-	Drifting 542'
		x cuts 291'

This work was done during January to July, 1937.

In 1963, Dr. M. Stolove acquired these claims and instituted a further surface exploration programme. The programme comprised the following.

Cont.

Picket lines cut on a 300 x 100 foot grid with base line E.W. along the main shear.

Reconnaissance geological mapping and prospecting along this grid.

The main shear zone was stripped, pitted, sampled and some diamond drilling done.

Some other parallel zones were examined and sampled.

The following equipment was purchased by Dr. Stolove and was present on the property during the writer's visits.

1 Bren gun carrier, 1 Caterpillar D1 bulldozer, 1 - 3 ton dump truck, 1 Fluxgate Magnetometer, 1 warsop gasoline plugger, 1 Homelite chain saw, 1 short W.B. Land Rover, 1 Dodge (1959) car, Axes, Shovels, Stoves and necessary camp gear for 4 men, winter camp.

In 1966 Dr. Stolove became embroiled in personal problems that forced curtailment of his expenditures and availability, and during this time the above equipment was stolen or seized as no funds were available for a watchman. In addition such records as he kept were lost.

The writer will attest, through personal knowledge and observation, to the above.

Sufficient assessment work has been done and credited, to bring 2 claims to patent, 5 have 120 days completed and 3 have 100 days completed.

The mineralized zone that carries gold values, by assay, has been increased from 154' to 1850' and is still open at both ends, and widths up to 32' have been recorded.

Cont. . . .

Historical geology cont:

The shear zone has been established as consistent for the full length indicated above.

In addition parallel structures are present that are believed to carry values.

In late 1966, a Magnetometer and E.M. survey was carried out over the claims, and the crew was instructed to use extreme care in all readings.

Work done by Dr. Stolove and associates in 1965 and 1966 by stripping, blasting, and sampling has proved the shear to contain gold over a length of 1850 feet.

A report prepared by Mr. J. M. Johnson in July, 1966, indicates methods of ore deposition, and results of a sampling programme undertaken by him. The writer believes this report to be valid and reliable, and a copy of this has been filed with the Ontario Securities Commission. Reference is made to this report to interested readers.

CONCLUSION

The property is located in a well known gold producing area, from which many companies produced values.

The existence of gold bearing structures carrying reasonably good values over a good length (1850') has been confirmed, and geological examination of the ground has revealed parallel structures of similar appearance, which have not yet been mapped and sampled. Underground workings are present and the existence of gold values continues to a depth of a least 300 feet.

Cont. . . .

Conclusion cont:

The property, in the writer's opinion, has a very good chance to develop into a small producing gold mine, and may even prove to be of major proportions. Copper minerals are also observed as present, and as yet to be evaluated.

It is felt that the gold values present over the respectable lengths known, and the possibility of other similar structures being present, warrant a thorough exploration of the ground and preparation of a feasibility report on the property.

RECOMMENDATIONS

The property should be geologically mapped in detail and checked geophysically and geochemically. A secondary phase of the drilling should be undertaken on the known zone, and provided the geology continues to be favourable, other areas should be drilled in a third stage. Cost of the above is as follows.

Geological Mapping	\$3,000.00
Geophysical and Geochemical Check	\$3,000.00
Drilling Phase 1	\$20,000.00
Drilling Phase 2	\$30,000.00
Contingency and Travel	<u>\$4,000.00</u>
TOTAL	<u>\$60,000.00</u>

Sufficient work should be done this summer to carry assessment credits and maintain the claims in good standing.

Respectfully submitted,

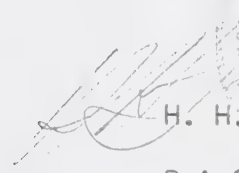
H. H. Sutherland,

B.A.Sc., P.Eng., M.E.

CERTIFICATE

I, the undersigned, do hereby certify:

1. I am a Mining Geologist with offices located at 12 Richmond Street East, in Toronto.
2. I have been practising my profession continuously for over 15 years.
3. I am a graduate of the University of Toronto, 1952, with a degree in Mining Engineering.
4. I have no interest, nor expect to receive any interest in the property or securities of the Solomons Pillars Mining Company Limited.
5. I am a member of the Association of Professional Engineers of Ontario.
6. This report was based on personal examination of the property during the summer and fall of 1966.

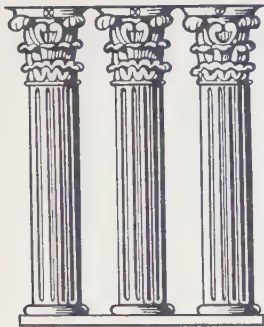

H. H. Sutherland, Jr.
B.A.Sc., P. Eng., M.E.

(Seal of the Association of Professional Engineers of Ontario)

Toronto, Ontario

September 25th, 1968.

AR21



Sub

SOLOMON'S PILLARS MINES

LIMITED

Progress Report to the Shareholders

DECEMBER 9
1968



SOLOMON'S PILLARS MINES LIMITED

SUITE 606
12 RICHMOND
STREET EAST
TORONTO
ONTARIO

To the Shareholders:

It is a pleasure to be able to report on the active and promising programs in which your company is now engaged.

Since early this year, Solomon's Pillars Mines Limited has been planning for and organizing its resources to resume exploration efforts, not only on its main property in the Beardmore area of northern Ontario, but on other mineral prospects elsewhere.

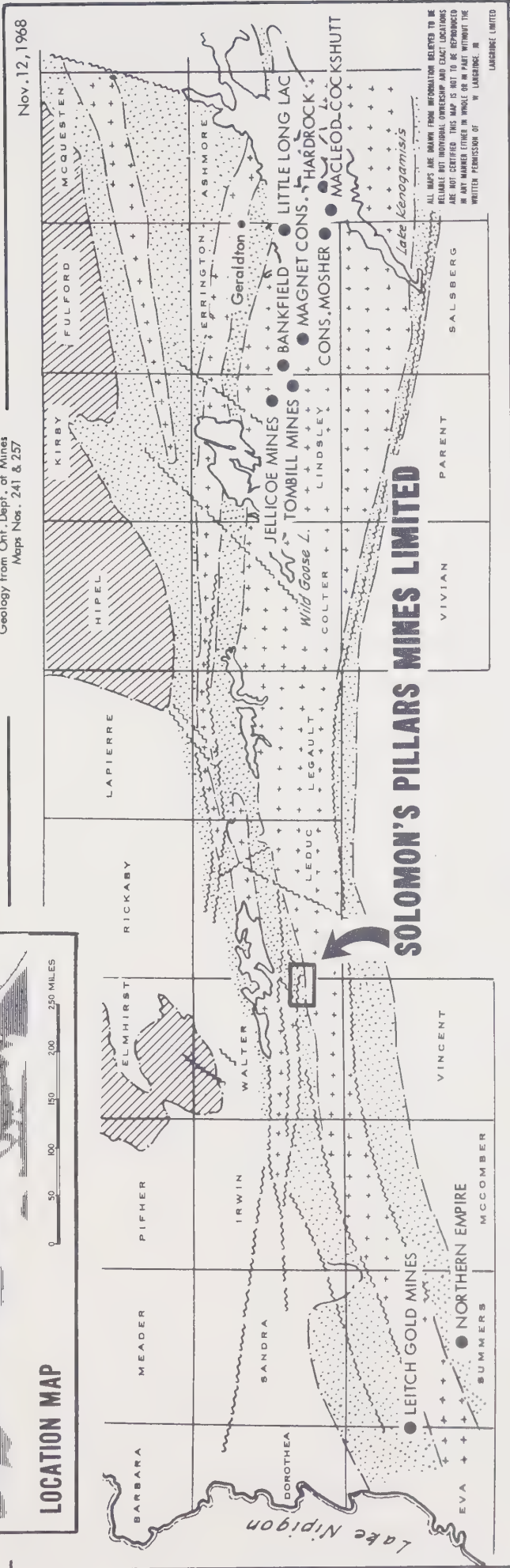
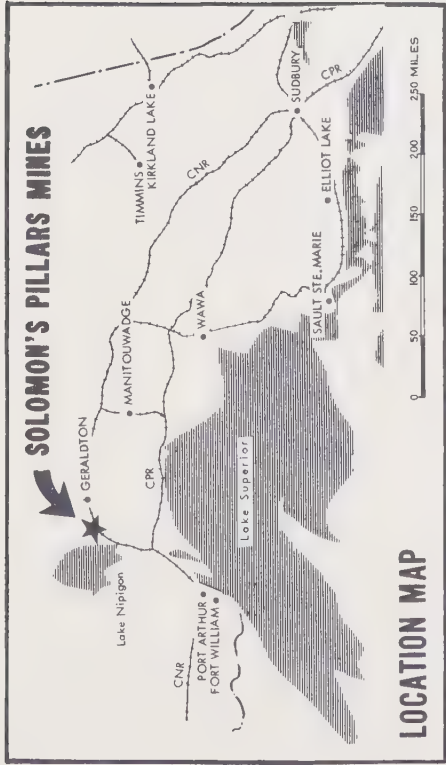
A new management group and board of directors have been installed and the company has obtained financing to carry out its initial exploration targets. The financing was provided as a result of an underwriting on 300,000 treasury shares, at 25c per share. One option has been given on 150,000 shares at 30c, to be taken down within three months.

These funds have enabled your company to move ahead on its Beardmore property program — an effort which is aimed at reviving production activity in this camp. The Beardmore camp, in northwestern Ontario's Thunder Bay region, once had eleven gold mines operating on a narrow belt east of Lake Nipigon and was one of Canada's leading gold-producing districts.

Late last month diamond drilling was started on the company's 10-claim property. Your management has planned a \$60,000 program, to include geophysical and geochemical checking and two phases of diamond drilling of 5,000 and 7,500 feet each. Consulting geologist Hugh H. Sutherland reports that "economic-grade values have been located over a strike length of over 1,850 feet." A shaft was sunk to 300 feet depth in an earlier exploration program, and some drifting and cross-cutting carried out on two levels. A total of 2,500 feet of lateral development had been done in the 1930s.

"The gold mineralization is in quartz veins in free form and associated with pyrite, pyrrhotite and arsenopyrite, probably related to an iron formation crossing the property," Mr. Sutherland states.

In the drilling program, Holes 1 and 2 have been completed and Hole 3 is in progress. Both holes completed have intersected the iron formation shear zone associated with the gold values and, Mr. Sutherland reports, "have indicated the possibility of other parallel zones." Core from the two holes have been sent for assaying.



Early this month your company staked an additional six claims, adjacent to the original 10-claim block, to cover the extension of the shear zones to the east and west. During this work the prospector discovered a structure carrying chalcopyrite, bornite and pyrite. The company's consultant reports on the discovery as follows:

"This structure appears to be associated with a major fault and is traceable for over 2½ miles. It is premature at this time to project either the grade or extent of the new find, but a grab sample has been sent out for assay. It is felt that this new find may have some significance as the structure appears to be favourable."

In addition to this program, the company has negotiated for a 50% interest in 100 claims in the Ste. Anne du Lac area of northwestern Quebec — centre of new uranium exploration activity which involves many of Canada's prominent mining companies. Solomon's Pillars Mines will share preliminary investigation costs with another company.

Solomon's Pillars Mines is also examining other mineral situations, with a view to furthering our exploration reach. The management is supported by a strong and enthusiastic board which believes your company can make a contribution to the Canadian mineral industry through diligent and serious exploration effort.

In addition to the undersigned, members of the new board are: Brian Rose and Frank J. Paznar, both Toronto businessmen; George C. Andrew of Ashburn, Ontario, a retired mining executive, formerly a director and treasurer of Patino Mines Limited; A. H. Steinberg, Toronto, a financial analyst.

On behalf of the board,



Frank Sparrow,
President.

Toronto, Ontario,
December 9, 1968.

PROSPECTUS

Solomon's Pillars Mines Limited

A Mining Company incorporated under the laws of the Province of Ontario

Eastcoast Investments Limited

(Underwriter-Optionee)

Suite 1002, 110 Yonge Street, Toronto, Ontario.

This is a new issue of 450,000 shares consisting of 300,000 firmly underwritten shares and 150,000 shares under option as follows:

Shares firmly Underwritten	Shares under Option	Price per share to the Under- writer-Optionee	Net Proceeds to the Company	Maximum Offering Price to Public
300,000		\$.25	\$ 75,000.00	\$.29
	150,000	.30	45,000.00*	.45
<u>300,000</u>	<u>150,000</u>		<u>\$120,000.00</u>	

*There is no obligation on the underwriter and there is no assurance that any of the optional shares will be purchased. All the underwritten stock must have been distributed before the maximum offering price on the optioned stock becomes effective.

THE SECURITIES ARE SPECULATIVE.

There is no market for the Company's shares.

The purpose of this issue is to provide the Company with sufficient funds to defray its ordinary operating expenses and the costs of carrying out the exploration and development programmes recommended by its consulting engineer. See the within captions "Walters and Leduc Property" and "Use of Proceeds".

Registrar and Transfer Agent

GUARANTY TRUST COMPANY OF CANADA,
366 Bay Street,
Toronto 1, Ontario.

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities hereunder and any representation to the contrary is an offence.

The date of this Prospectus is October 22, 1968.

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Walters and Leduc Property

Solomon's Pillars Mines Limited (hereinafter called the "Company") was incorporated by Letters Patent dated May 21st, 1964 under the laws of the Province of Ontario with objects of acquiring, exploring, developing and operating mines, mineral lands and deposits.

The Principal activity of the Company at the present time is exploration of a property located in Walters and Leduc Townships of Ontario. The property is comprised of 10 unpatented claims in a contiguous group 1¼ miles north of Highway 11, the N.O.N.G. gasline, Hydro and railroad lines, 30 miles west of the Town of Beardmore and is identified by the following numbers: T.B. 109239 to T.B. 109247 and T.B. 119896 and comprises approximately 400 acres.

Mr. Hugh H. Sutherland, B.A.Sc., P. Eng., M.E., whose report dated May 29th, 1968 has been filed and is available for public inspection at the offices of The Ontario Securities Commission, 123 Edwards Street, Toronto, Ontario, has reported on the property. The following is a summary of the information contained in that report:

Solomons Pillars Mines Limited have acquired a 10 claim group located in Walters and Leduc Townships, in the Beardmore Nipigon gold area. The property comprises a rectangular 10 claim contiguous group 1¼ miles north of Highway 11, the N.O.N.G. gasline, Hydro and Railroad lines, 30 miles west of the Town of Beardmore. Access is by bush road to the property from the highway. The terrain is flat lying, with a medium bush and ample water from several lakes. The camp is well known for gold producers such as McLeod Cockshutt and Leitch Gold, and reasonably good values of gold have been found. Economic grade values have been located over a strike length of over 1850 feet, and a shaft has been sunk to 300 feet with underground workings. The gold mineralization is in quartz veins in free form and associated with pyrite, pyrrhotite and arsenopyrite, probably related to an iron formation crossing the property. Other iron bands cross the claims and have similar appearance but have not yet been assayed for gold values. Chalcopyrite is also present. It is felt that sufficient information is present that justifies hopes of a small gold producer, and greater tonnages may be present. To this end an extensive exploration programme is justified and recommended.

Work is to comprise detail geological mapping, geophysical and geochemical checking and two phases of diamond drilling of 5,000 and 7,500 feet each.

Total cost of the above estimated to be approximately \$60,000.00.

The Walters and Leduc property was acquired from a group headed by Frank Woodbridge Sparrow II and the claims were held in trust for the group by William Dexter Papas. The consideration for the claims was 750,000 fully paid shares in the capital stock of the Company of which 90% were placed in escrow and are held on conditions later described in this prospectus. The names, addresses and number of vendors' shares issued to persons holding 5% or more of the 750,000 vendors' shares of the Company are as follows:

Dr. Alan Milton Stolove, 1349 Wilson Avenue, Downsview, Ontario.	5,200 free 45,200 escrowed
William Dexter Papas, 293 Sixth Street, Toronto 14, Ontario.	5,200 free 45,200 escrowed
Frank Woodbridge Sparrow II, R.R. #2, King City, Ontario.	20,000 free 180,000 escrowed
Frank Joseph Paznar, 2069 Dixie Road, Cooksville, Ontario.	20,000 free 180,000 escrowed
Brian Rose, 280 Wellesley Street East, Apartment 2107, Toronto 5, Ontario.	20,000 free 180,000 escrowed
George Charles Andrew, R.R. #1, Ashburn, Ontario.	5,000 escrowed

Of the 750,000 vendors' shares issued 90% of 675,000 shares were placed and are held in escrow by the registrar and transfer agent for the Company, The Guaranty Trust Company, 366 Bay Street, Toronto 1, Ontario, subject to the pro rata release only and the prior written consents of the directors of the Company, The Ontario Securities Commission and such other regulatory bodies as the directors of the Company may designate, and subject to transfer, hypothecation, or other alienation only on the prior written consents of the Ontario Securities Commission, and such other regulatory body or bodies as the directors of the Company may designate.

The Company's title to the property is the usual title to unpatented mining claims, that is the right to proceed under Statute to explore and develop the property. In order to maintain the claims in good standing an amount of exploration work expressed as 200 days work per claim must be performed and recorded, within certain time limits, and then the claims may be surveyed and converted to mining leases. At the present time 202.2 days work has been performed and recorded on claims Nos. TB 109239 and TB 109240, 120.2 days on claims Nos. TB 109241, TB 109243, TB 109244, TB 109247 and 100.2 days on claims Nos. TB 119896, TB 109246, TB 109245 and TB 109242.

There is no surface plant or equipment on the property, however, a 3 compartment 18' x 8' vertical shaft was sunk in 1936 to a level of 300 feet with levels at 150 feet and 275 feet. There is no other underground plant or equipment on the property.

Use of Proceeds

The proceeds of \$69,000 to be received by the Company from the shares hereinbefore referred to (after deducting the legal, audit and printing costs of this offering, and organization of the Company estimated at \$6,000.00) will be used to defray the ordinary operating expenses and to carry out the programme recommended by Mr. Hugh H. Sutherland, B.A.Sc., P.Eng., M.E. and described under the heading "Activity and Offering".

The Company intends to perform the surface exploration work commencing immediately after the acceptance for filing of this Prospectus which will involve an estimated expenditure of \$30,000 to complete the first stage of drilling, Geological Mapping, Geophysical and Geochemical checking. During the stage of organization and planning it is anticipated that commitments will be made to contractors and suppliers of equipment and personnel.

Excess monies will form part of the general working capital of the Company to be used for general operating expenses. While the Company has no plans in this regard at the present time, monies in its treasury, as available, may also be used to defray programmes of acquiring, staking, exploring and developing other properties either alone or in concert with others and to generally carry out explorational programmes as opportunity and finances may permit but monies will not be expended on any new properties acquired without an amendment to this Prospectus being filed and accepted if the securities of the Company are then in the course of primary distribution to the public. Monies in the Company's treasury will not be used to invest, underwrite or trade in securities other than those that qualify as investments in which life insurance companies may under the laws of Canada invest their funds. Should the Company propose to use monies in its treasury to acquire securities other than as aforementioned after primary distribution of the securities offered by the Prospectus has ceased, approval by the Shareholders will be obtained and disclosure will be made to the regulatory authorities having jurisdiction over the sale of the shares offered by this Prospectus. Additionally, monies will not be advanced to other persons or companies except to the extent necessary to enable the Company to implement its exploration and development programme as set forth in the Prospectus and any amendment thereto.

Offering

Under an underwriting and option agreement dated the 23rd day of September, 1968 Eastcoast Investments Limited, Suite 1002, 110 Yonge Street, Toronto, Ontario (hereinafter called the "Underwriter") acting on its own behalf, agreed firmly to purchase 300,000 fully paid shares of the capital of the Company at a price of 25 cents per share for an amount of \$75,000.00, which is payable on the date upon which the Company shall have a receipt for this Prospectus pursuant to The Securities Act 1966 (hereinafter referred to as the "effective date"). The Underwriter-optionee was also granted the following options to purchase the additional shares of the Company:

No. of Shares Optioned	Price Per Share	Time within which options exercised calculated from the effective date
150,000	\$.30	3 months

The only person who has a greater than 5% interest in Eastcoast Investments Limited is Mr. Eric W. Blackwood, Suite 19, 6 Esterbrooke Avenue, Willowdale, Ontario.

The underwriting agreement further provides that so long as result warrant the Company shall expend the monies received under this offering in furtherance of the recommendation contained in the report of Hugh H. Sutherland, B.A.Sc., P.Eng., M.E., dated May 29th, 1968 and for administrative costs and expenses.

The Company is not aware of any assignments, sub-options or sub-underwritings with respect to the aforementioned underwritten and optioned shares, and the underwriting agreement provides that the underwriter-optionee will not thereafter enter into any agreement or agreements in the nature of sub-option agreements, sub-underwriting agreements or assignments with respect to any of the shares herein underwritten or optioned by it without prior notice there being given to and accepted by Securities Commissions having jurisdiction.

The Underwriter-optionee will offer the underwritten and optioned shares, if exercised, comprising the new issue for sale through registered security dealers, who will act as agents for the Underwriter-optionee and will be paid commissions not exceeding 25% of the selling price of such shares. The underwritten shares will be so offered to the public at a price not exceeding 29 cents per share and the optioned shares if and when purchased by the underwriter-optionee will also be offered through such agents at the asking price prevailing from time to time subject to the maximum offering price detailed on cover.

Purchaser's Rights of Withdrawal and Rescission

The Securities Act, 1966, provides for certain rights of withdrawal and rescission, a brief statement of which follows. Reference is made to Sections 63 and 64 of The Securities Act, 1966, for full particulars.

A. Right of Withdrawal

An agreement of purchase and sale covering any of the shares hereby offered is not binding upon the purchaser if the Company from whom the purchaser buys same, receives written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement, not later than midnight of the second day (exclusive of Saturdays, Sundays and holidays) after receipt of the Prospectus of the Company or amended Prospectus; provided the purchaser has not sold or transferred the said shares prior to the expiration of the said two-day period.

Receipt of the Prospectus or amended Prospectus by the agent of the purchaser and receipt of the said notice by the agent for the vendor of the said shares shall be receipt by the purchaser and vendor respectively.

B. Right of Rescission

A purchaser of any of the shares hereby offered has a right to rescind his contract to purchase while he is still the owner of the said shares if the Prospectus of the Company and any amending Prospectus received by such purchaser, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading; providing, however, such right of rescission will not apply—

- i. if the untruth or fact of omission was unknown to the Company and to the underwriter and could not have been known in the exercise of reasonable diligence;
- ii. if such statement or omission is disclosed in an amended Prospectus and same has been received by the purchaser;
- iii. if the purchaser knew the untruth of the statement or knew of the omission at the time of the purchase.

Receipt of a Prospectus or an amended Prospectus by a party who is acting as agent or who thereafter commenced to act as agent for the purchaser shall be receipt by the purchaser. No action shall be commenced after the expiration of ninety days from the last to occur of the receipt of the Prospectus or the date of the contract.

The Company, Its History and Management

THE COMPANY

Solomon's Pillars Mines Limited (referred to throughout this Prospectus as "the Company") has its head office at Suite 1712, 101 Richmond Street West, Toronto 1, Ontario. The Company was incorporated under the laws of the Province of Ontario by Letters Patent dated the 21st day of May, 1964. The authorized capital is \$3,000,000.00 divided into 3,000,000 shares of par value of \$1.00 each, of which 750,005 shares are issued and outstanding as of the date of this Prospectus.

The Walters and Leduc Property is the only mining property which this Company has acquired or explored in any way.

MANAGEMENT

The following are the particulars of present management of the Company and occupations for the last five years:

PRESIDENT AND DIRECTOR:

Frank Woodbridge Sparrow II, R.R. #2, King City, Ontario, has been self-employed as a Mining Exploration Contractor. He also serves as a director and officer of Hooker Mines Limited.

VICE-PRESIDENT AND DIRECTOR:

Brian Rose, 280 Wellesley Street East, Apartment 2107, Toronto 5, is employed as a salesman with Caldwell Linen Mills Limited.

TREASURER AND DIRECTOR:

Frank Joseph Paznar, 2069 Dixie Road, Cooksville, Ontario, is presently employed by E. L. Ruddy Co. Ltd., as assistant planning director. He was previously associated with Neon Products Limited.

SECRETARY AND DIRECTOR:

George Charles Andrew, R.R. #1, Ashburn, Ontario is a retired mining executive formerly associated with Patino Mines Limited as Treasurer and a Director. He also serves as a director of Many Metal Mines Limited.

DIRECTOR:

Abner Henry Steinberg, 4 Heddington Avenue, Toronto 12, Ontario, is presently a financial analyst connected with the Treasury Board for the Province of Ontario.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No director or senior officer receives a salary and no remuneration of any kind has been paid or is proposed to be paid to officers or directors. The Company intends to pay a monthly sum for office accommodation, secretarial and accounting services, which fee will be at no more than \$350.00 per month, to Frank Woodbridge Sparrow II, a director and the President of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company purchased the Walters and Leduc property by agreement dated the 6th day of September, 1968. All the present officers and directors of the Company, with the exception of Abner Henry Steinberg had an interest in this transaction as vendors. The cost to the vendors is estimated at approximately \$4,000 and in addition to this sufficient funds were expended on the property to qualify the property for 1286 days work pursuant to The Mining Act of Ontario.

MATERIAL CONTRACTS

1. Agreement dated September 6th, 1967 for the purchase of the Walters and Leduc Property.
2. Agreement with Eastcoast Investments Limited providing for the purchase of 300,000 shares of the Company by the underwriter with an option on a further 150,000 shares.

There are no other material contracts entered into by the Company since its inception.

AUDITORS

The auditors of the Company are Messrs. Thorne, Gunn, Helliwell, & Christenson, Chartered Accountants, 101 Richmond Street West, Toronto 1, Ontario.

DESCRIPTION OF THE STOCK

The capital of the Company is comprised of shares of one class only, namely common shares. All shares issued by the Company rank equally as to dividends and voting power, each share carrying one vote. There are no indentures or agreements limiting the payment of dividends. At all special or annual meetings of the Company, two shareholders personally present constitute a quorum, and at such meetings resolutions may be voted upon by a show of hands unless a poll is demanded by a shareholder. On a show of hands every shareholder voting exercises one vote, whereas on a poll every shareholder voting exercises one vote for each share held by him. In each case, in the event of a tie vote, the chairman has a second or casting vote enabling him to decide the issue. There are no conversion, pre-emption, liquidation rights or other special privileges or provisions whatsoever attached to any shares of the Company. All the shares are fully paid and non-assessable and are therefore not subject to roll or assessment of any kind. Certificates representing 675,000 shares of the presently issued shares are held in escrow as referred to herein under the heading "Promotor".

CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount outstanding as of the date of this Prospectus	Amount outstanding if all securities being issued are sold
Common Shares of Par Value of \$1.00	3,000,000	750,005	1,200,005

PRINCIPAL HOLDERS OF SHARES

The following table sets out as of the date of this Prospectus holders of more than 10% of the issued shares of the Company:

Name and Address	Designation of Class	Type of Ownership	No. of Shares owned	Percentage of Class
Frank Woodbridge Sparrow II, R.R. #2, King City, Ontario	Common	Beneficial and of record	200,001	26.6%
Frank Joseph Paznar, 2069 Dixie Road, Cooksville, Ontario	Common	Beneficial and of record	200,001	26.6%
Brian Rose, 280 Wellesley St. E., Apartment 2107, Toronto 5, Ontario	Common	Beneficial and of record	200,001	26.6%

PROMOTOR

The promoters of the Company, as the term "Promotor" is defined in The Securities Act, 1966, are the group headed by Frank Woodbridge Sparrow II, the members of which received an aggregate of 750,000 shares of the Company in consideration of the Walters and Leduc Property. The members of that group who received more than 5% of the shares issued therefor are set out under the heading of "Walters and Leduc Property". George Charles Andrew received 5,000 escrowed shares and Mr. Abner Henry Steinberg received no shares as a result of this transaction and he is the holder of one (1) share in the capital stock of the Company.

675,000 of the 750,000 vendors' shares are held in escrow by the Guaranty Trust Company of Canada, 366 Bay Street, Toronto 1, Ontario, subject to the pro rata release among the persons entitled thereto and subject to transfer, hypothecation or other alienation within the escrow only on the prior written consent of The Ontario Securities Commission and any other securities regulatory body or bodies having jurisdiction.

Other Material Facts

The Company has not issued any bonds or debentures nor is it presently proposed to issue any such securities.

No dividends have been paid by the Company.

There are no other material facts.

Solomon's Pillars Mines Limited

(Incorporated under the laws of Ontario)

BALANCE SHEET

September 6, 1968

ASSETS

CURRENT ASSETS

Cash \$ 5

MINING CLAIMS HELD UNDER MINING LICENCES

Walters and Leduc Townships, Ontario, at the value placed upon 750,000 shares of the company's capital stock issued therefor 187,500
\$187,505

LIABILITIES

CURRENT LIABILITIES Nil

SHAREHOLDERS' EQUITY

Capital stock (see note)
Authorized—3,000,000 shares of \$1 each
Issued — 750,005 shares \$750,005
Less discount on shares 562,500
\$187,505

Note

Capital stock

(a) Shares of the company's capital stock have been issued as follows:

	No. of Shares	Par value	Discount	Net
For cash	5	\$ 5		\$
For mining claims	750,000	750,000	\$562,500	187,505
	<u>750,005</u>	<u>\$750,005</u>	<u>\$562,500</u>	<u>\$187,505</u>

(b) The company has entered into an agreement to sell 300,000 shares of its capital stock at 25c per share payable within three business days after the date of acceptance for filing by the Ontario Securities Commission, of the company's prospectus and granted an option on an additional 150,000 shares at 30c per share exercisable within three months of the date of acceptance.

Approved by the Board

(Signed) FRANK W. SPARROW II

(Signed) FRANK J. PAZNAR

Auditors' Report

To the Directors of
Solomon's Pillars Mines Limited

We have examined the balance sheet of Solomon's Pillars Mines Limited as at September 6, 1968. Our examination from incorporation on May 21, 1964 to September 6, 1968 included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet presents fairly the financial position of the company as at September 6, 1968, in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Canada
October 9, 1968

(Signed) THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act, 1966, and the regulations thereunder.

DATED this 22nd day of October, 1968.

(Signed) FRANK WOODBRIDGE SPARROW II,
President and Chief Executive Officer

(Signed) FRANK JOSEPH PAZNAR,
Treasurer and Chief Financial Officer

(Signed) BRIAN ROSE,
Director

(Signed) GEORGE CHARLES ANDREW,
Director

Promoters

(Signed) FRANK WOODBRIDGE SPARROW II

To the best of our knowledge and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act, 1966, and the regulations thereunder.

Underwriter:

EASTCOAST INVESTMENTS LIMITED

Per:

C.S.

(Signed) ERIC W. BLACKWOOD

